



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES  
SUZANNE SONNEBORN  
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]

Date Mailed: January 6, 2025  
MOAHR Docket No.: 24-009563  
Agency No.: [REDACTED]  
Petitioner: OIG  
Respondent: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Linda Jordan**

**HEARING DECISION**

The Michigan Department of Health and Human Services (MDHHS or the Department) requested a hearing alleging that Respondent [REDACTED] committed an intentional program violation (IPV). Pursuant to MDHHS' request and in accordance with MCL 400.9, 7 CFR 273.16, 42 CFR 431.230(b), and 45 CFR 235.110, and Mich Admin Code, R 400.3130 and R 400.3178, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on December 5, 2024. Brent Brown, Regulation Agent of the Office of Inspector General (OIG), represented MDHHS. Respondent did not appear at the hearing, and it was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4); Mich Admin Code, R 400.3130(5); or Mich Admin Code, R 400.3178(5). MDHHS' Hearing Packet was admitted into evidence at the hearing as MDHHS Exhibit A, pp. 1-52. The record was held open for 24 hours for the submission of additional evidence. MDHHS submitted a proposed exhibit on December 5, 2024, which was admitted into evidence as MDHHS Exhibit B, p. 1.

**ISSUE**

Did Respondent receive an overissuance (OI) of Food Assistance Program (FAP) and Medicaid (MA) benefits that MDHHS is entitled to recoup and/or collect as a recipient claim?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Respondent was a recipient of MA in the State of [REDACTED] from October 1, 2017 to April 30, 2023, and a recipient of food assistance benefits from the State of [REDACTED] from December 9, 2020 to April 30, 2023 (Exhibit A, p. 25).

2. On [REDACTED] 2022, Respondent submitted a redetermination to the State of Illinois for her MA and food assistance benefits (Exhibit A, p. 27).
3. On [REDACTED] 2022, Respondent applied for FAP and MA benefits, reporting a home address in [REDACTED] Michigan (Exhibit A, p. 10). Respondent reported that she had not received food assistance from another state in the last 30 days (Exhibit A, p. 13).
4. From December 28, 2022 to March 31, 2023, Respondent received \$1,549.00 in FAP benefits for a one-person FAP group.
5. From January 1, 2023 to March 31, 2023, MDHHS paid \$5,430.75 towards Respondent's group's MA coverage.
6. Respondent was aware of the responsibility to report truthful and accurate information regarding household circumstances.
7. No evidence was presented that Respondent had an apparent physical or mental impairment that would limit the understanding or ability to accurately report information regarding household circumstances.
8. On August 26, 2024, MDHHS' OIG filed a hearing request alleging that Respondent intentionally received food assistance benefits from two states concurrently and as a result received FAP benefits from December 28, 2022 to March 31, 2023 and MA benefits from January 1, 2023 to March 31, 2023 that Respondent was ineligible to receive. OIG requested that (i) Respondent repay \$6,979.75 to MDHHS for FAP and MA benefits that Respondent was ineligible to receive and (ii) Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV.
9. On [REDACTED], 2024, Respondent submitted a signed Request for Waiver of Disqualification Hearing to MDHHS (Exhibit B, p. 1). Respondent admitted to the facts as presented and agreed to a one-year disqualification from the receipt of FAP benefits (Exhibit B, p. 1).
10. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Service as undeliverable.

## **CONCLUSIONS OF LAW**

MDHHS policies are contained in the MDHHS Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT).

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq.*, and Mich Admin Code, R 400.3001 to R 400.3031.

The Medicaid (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396 to 42 USC 1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10 to 42 CFR 430.25. MDHHS administers the MA program pursuant to 42 CFR 435, MCL 400.10 and MCL 400.103 to MCL 400.112k of the Social Welfare Act, MCL 400.1 *et seq.*

MDHHS may request a hearing to establish a debt. BAM 600 (June 2024) p. 5. For FAP benefits, MDHHS may seek recoupment for client errors, agency errors and intentional program violations (IPVs). BAM 700 (June 2024), p. 2. For MA, MDHHS may pursue OIs for client errors and IPVs, but not agency errors. BAM 710 (January 2018), p. 1. A client error occurs when a client receives more benefits than they were entitled to receive because the client gave incorrect or incomplete information to MDHHS. BAM 700, p. 7. An IPV occurs when there is an OI and MDHHS establishes by clear and convincing evidence that the client intentionally withheld or misrepresented information for the purpose of establishing, maintaining, increasing, or preventing reduction of program benefits or eligibility. BAM 700, p. 8. An IPV results in a client's disqualification from program benefits for programs other than MA; there is no disqualification for an MA IPV. BAM 720, pp. 15-16.

In this case, MDHHS alleged that Respondent committed an IPV based on the concurrent receipt of FAP and MA benefits in Michigan and Illinois. Respondent admitted to the facts as presented when she signed and returned the Waiver of Disqualification Hearing and accepted the one-year disqualification from the receipt of FAP benefits (Exhibit B, p. 1). MDHHS explained that although the IPV and disqualification were established, Respondent did not return the form to accept responsibility for the corresponding overissuance (OI). Therefore, MDHHS requested to establish the OI at the hearing.

When a client group receives more benefits than entitled to receive, MDHHS must attempt to recoup the OI as a recipient claim. 7 CFR 273.18(a)(2); BAM 700, p. 1. The

amount of a FAP OI is the benefit amount the client actually received minus the amount the client was eligible to receive. 7 CFR 273.18(c)(1); BAM 720, p. 8.

In this case, MDHHS alleged that Respondent was overissued FAP benefits totaling \$1,549.00 from December 28, 2022 to March 31, 2023. MDHHS introduced evidence to show that Respondent received \$1,549.00 in FAP benefits from the State of Michigan and that she was also receiving food assistance benefits from Illinois during that time (Exhibit A, pp. 25, 42-43). A person cannot receive FAP in more than one state for any month. BEM 222 (October 2018), p. 3. Respondent admitted to the facts as presented and therefore, the IPV based on concurrent receipt of assistance was established. The record shows that Respondent was not eligible to receive any FAP benefits from Michigan because she was already receiving benefits in Illinois. Therefore, MDHHS is entitled to repayment from Respondent of \$1,549.00 in overissued FAP benefits.

Similarly, MDHHS alleged that Respondent was overissued MA benefits totaling \$5,430.75 from January 2023 to March 31, 2023. The record shows that MDHHS paid \$5,430.75 to maintain Respondent's health care coverage during that time period (Exhibit A, p. 45). Also, during that period, she had MA through the state of Illinois. Respondent admitted to committing the IPV that led to the OI of MA benefits. The duplicate assistance was based on Respondent's IPV and thus, Respondent was not eligible to receive MA benefits during that period. Therefore, MDHHS is entitled to repayment from Respondent of \$5,430.75 in overissued FAP benefits.

### **DECISION AND ORDER**

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that Respondent did receive an OI of FAP benefits in the amount of \$1,549.00 and did receive an OI of MA benefits in the amount of \$5,430.75.

**IT IS ORDERED** that MDHHS initiate recoupment and/or collection procedures in accordance with MDHHS policy for a FAP OI in the amount of \$1,549.00, and a MA OI in the amount \$5,430.75, less any amounts already recouped/collected for the fraud period.

LJ/pt

  
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**Linda Jordan**  
Administrative Law Judge

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Office of Administrative Hearings and Rules (MOAHR).

A party may request a rehearing or reconsideration of this Order if the request is received by MOAHR within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MOAHR will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MOAHR. If submitted by fax, the written request must be faxed to (517) 763-0155; Attention: MOAHR Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Office of Administrative Hearings and Rules  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**Via-Electronic Mail:**

**Petitioner**  
OIG  
PO Box 30062  
Lansing, MI 48909-7562  
**MDHHS-OIG-HEARINGS@michigan.gov**

**DHHS**  
Greg Walker  
Alpena County DHHS  
600 Walnut St  
Alpena, MI 49707  
**MDHHS-GR8North-Hearings@michigan.gov**

**Interested Parties**  
BSC1  
M Holden  
B Cabanaw  
N Denson-Sogbaka  
MDHHS Recoupment  
M. Schaefer  
EQAD  
MOAHR

**Via-First Class Mail:**

**Respondent**  
[REDACTED]  
[REDACTED]  
[REDACTED] MI [REDACTED]